EXHIBIT C

Balance sheets and supporting plant schedules for the most recent 12 months period only, on an actual basis and on a pro forma basis in the form prescribed for Statement A and B of FERC Form No. 1.

EXHIBIT C

Actual and Pro Forma Balance Sheets and Supporting Plant Schedules for the Most Recent Twelve-Month Period

Set forth herein are actual and pro forma balance sheets as of December 31, 1998, the related notes, and a supporting plant schedule as of December 31, 1998. The pro forma balance sheet has been prepared to reflect the acquisition of ComEd by Newco and certain other significant transactions. Accordingly, the actual Balance Sheet as of December 31, 1998 has been adjusted to give effect to the sale of ComEd's fossil generating stations, the annualized effects of ComEd's issuance of transitional trust notes and use of the proceeds, the repurchase of 20.1 million shares of ComEd Common Stock subject to certain forward purchase contracts, ComEd's expected repurchase of an additional approximate six million shares of ComEd Common Stock prior to the closing of the acquisition and the purchase consideration and other adjustments related to the acquisition of ComEd.

ComEd previously submitted similar pro forma information related to the sale of the fossil generating stations as part of its Joint Application for the Sale of Jurisdictional Transmission Facilities filed with FERC on July 22, 1999. The fossil sale information has been updated to include the funding of certain environmental initiatives, pending the close of the sale and interest income on the unused portion of the fossil sale proceeds received by ComEd at the close. The fossil sale is currently expected to close in the fourth quarter of 1999.

Commonwealth Edison Company
Balance Sheet
As of December 31, 1996

		ADJUSTMENTS					
UTILITY PLANT	Actual(1)	Fossil Sale Pro Forma Adjustment(2)	Environmental Trust Contrib. & Interest on Avail Funds(3)	Total Fossil Sale Pro Forma Adjustments	Securitization Pro Forma Adjustments(4)	Merger Pro Forma Adjustments(5)	Pro Forma
Utility Plant (101-107, 114)	$ 27,779,004,818	$ (3,428,400,000)	$ -	$ (3,428,400,000)	$ -	$ (7,362,785,753)	$ 16,987,819,065
(Less) Accumulated Provision for Depreciation and Amortization (108, 111, 115)	15,215,210,239	(2,198,648,900)		(2,198,648,900)	-	(10,293,585,753)	2,722,975,586
Net Utility Plant	$ 12,563,794,579	$ (1,229,751,100)	$ -	$ (1,229,751,100)	$ -	$ 2,930,800,000	$ 14,264,843,479
Nuclear Fuel (120.1-120.4, 120.6)	$ 1,280,627,816	$ -	$ -	$ -	$ -	$ -	$ 1,280,627,816
(Less) Accumulated Provision for Amortization of Nuclear Fuel Assemblies (120.5)	824,713,785	-	-	-	-	-	824,713,785
Net Nuclear Fuel	$ 455,914,031	$ -	$ -	$ -	$ -	$ -	$ 455,914,031
Net Utility Plant	$ 13,019,708,610	$ (1,229,751,100)	$ -	$ (1,229,751,100)	$ -	$ 2,930,800,000	$ 14,720,757,510
OTHER PROPERTY AND INVESTMENTS							
Nonutility Property (121)	$ 23,979,691	$ (1,000,000)	$ -	$ (1,000,000)	$ -	$ -	$ 22,979,691
(Less) Accum. Provision for Deprec. for Nonutility Property (122)	-	-	-	-	-	-	-
Investments in Associated Companies (123)	7,485,890	-	-	-	-	-	7,485,890
Investment in Subsidiary Companies (123.1)	98,355,885	-	-	-	-	-	98,355,885
Other Investments (124)	27,971,451	-	-	-	-	-	27,971,451
Special Funds (125-128)	2,272,396,703	-	-	-	-	-	2,272,396,703
TOTAL Other Property and Investments	$ 2,430,189,620	$ (1,000,000)	$ -	$ (1,000,000)	$ -	$ -	$ 2,429,189,620
CURRENT AND ACCRUED ASSETS							
Cash (131)	$ -	$ 2,268,000,000	$ -	$ 2,268,000,000	$ 50,300,000	$ -	$ 2,318,300,000
Special Deposits (132-134)	3,040,665,495	-	-	-	(2,971,400,000)	-	69,265,495
Working Funds (135)	229,123	-	-	-	-	-	229,123
Accounts Receivable (142-143)	1,497,934,870	-	-	-	-	-	1,497,934,870
(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	48,008,069	-	-	-	-	-	48,008,069
Notes Receivable from Associated Companies (145)	-	2,463,000,000	-	2,463,000,000	-	-	2,463,000,000
Accounts Receivable from Associated Companies (146)	7,353,891	-	-	-	-	-	7,353,891
Materials and Supplies (151-154, 163)	363,123,468	(136,900,000)	-	(136,900,000)	-	-	226,223,468
Merchandise (155)	1,354,556	-	-	-	-	-	1,354,556
Allowances (158.1, 158.2)	3,778	-	-	-	-	-	3,778
Prepayments (165)	18,470,862	(4,200,000)	-	(4,200,000)	-	-	14,270,862
Interest and Dividends Receivable (171)	4,078	147,780,000	15,500,000	163,280,000	5,600,000	-	168,884,078
Miscellaneous Current and Accrued Assets (174)	16,192,874	-	-	-	-	-	16,192,874
TOTAL Current and Accrued Assets	$ 4,897,324,926	$ 4,737,680,000	$ 15,500,000	$ 4,753,180,000	$ (2,915,500,000)	$ -	$ 6,735,004,926
DEFERRED DEBITS							
Unamortized Debt Expenses (181)	$ 23,765,809	$ -	$ -	$ -	$ -	$ -	$ 23,765,809
Other Regulatory Assets (182.3)	4,657,661,028	(3,014,700,000)	250,000,000	(2,764,700,000)	-	-	1,892,961,028
Clearing Accounts (184)	4,396,505	200,000	-	200,000	-	-	4,596,505
Miscellaneous Deferred Debits (186)	56,751,763	(49,600,000)	-	(49,600,000)	-	-	7,151,763
Unamortized Loss on Reacquired Debt (189)	46,780,777	-	-	-	-	-	46,780,777
Accumulated Deferred Income Taxes (190)	1,086,406,046	72,200,000	-	72,200,000	-	-	1,158,606,046
TOTAL Deferred Debits	$ 5,875,761,928	$ (2,991,900,000)	$ 250,000,000	$ (2,741,900,000)	$ -	$ -	$ 3,133,861,928
TOTAL Assets and Other Debits	$ 26,222,985,084	$ 515,028,900	$ 265,500,000	$ 780,528,900	$ (2,915,500,000)	$ 2,930,800,000	$ 27,018,813,984

Commonwealth Edison Company
Balance Sheet
As of December 31, 1998

		ADJUSTMENTS					
PROPRIETARY CAPITAL	Actual(1)	Fossil Sale Pro Forma Adjustment(2)	Environmental Trust Contrib. & Interest on Avail Funds(3)	Total Fossil Sale Pro Forma Adjustments	Securitization Pro Forma Adjustments(4)	Merger Pro Forma Adjustments(5)	Pro Forma
Common Stock Issued (201)	$ 2,677,951,913	$ -	$ -	$ -	$ -	$ -	$ 2,677,951,913
Preferred Stock Issued (204)	678,156,000	-	-	-	(609,200,000)	-	68,956,000
Premium on Capital Stock (207)	2,222,767,929	-	-	-	-	3,327,363,278	5,550,131,207
Other Paid-in Capital (208-211)	938,445	-	-	-	-	(938,445)	-
(Less) Capital Stock Expense (214)	15,663,847	-	-	-	-	-	15,663,847
Retained Earnings (Deficit) (215, 215.1, 216)	218,410,185	205,582,086	$ 9,400,000	214,982,086	$ 4,000,000	(437,392,271)	-
Unappropriated Undistributed Subsidiary Earnings (216.1)	(41,767,438)	-	-	-	-	41,767,438	-
(Less) Reacquired Capital Stock (217)	6,800,000	-	-	-	1,021,000,000	-	1,027,800,000
TOTAL Proprietary Capital	$ 5,733,993,187	$ 205,582,086	$ 9,400,000	$ 214,982,086	$ (1,626,200,000)	$ 2,930,800,000	$ 7,253,575,273
LONG-TERM DEBT							
Bonds (221)	$ 4,640,559,000	$ -	$ -	$ -	$ (1,160,900,000)	$ -	$ 3,479,659,000
(Less) Reacquired Bonds (222)	-	-	-	-	-	-	-
Advances from Associated Companies (223)	3,757,704,580	-	-	-	-	-	3,757,704,580
Other Long-Term Debt (224)	1,648,666,753	-	-	-	-	-	1,648,666,753
Unamortized Premium on Long-Term Debt (225)	91,678	-	-	-	-	-	91,678
(Less) Unamortized Discount on Long-Term Debt-Debit (226)	62,771,988	-	-	-	-	-	62,771,988
TOTAL Long-Term Debt	$ 9,984,250,023	$ -	$ -	$ -	$ (1,160,900,000)	$ -	$ 8,823,350,023
OTHER NONCURRENT LIABILITIES							
Obligations Under Capital Leases-Noncurrent (227)	$ 333,652,607	$ -	$ -	$ -	$ -	$ -	$ 333,652,607
Accumulated Provision for Injuries and Damages (228.2)	47,410,817	-	-	-	-	-	47,410,817
Accumulated Provision for Pensions and Benefits (228.3)	853,256,618	61,200,000	-	61,200,000	-	-	914,456,618
Accumulated Miscellaneous Operating Provisions (228.4)	1,392,838,170	-	-	-	-	-	1,392,838,170
Accumulated Provision for Rate Refunds (229)	13,000,000	-	-	-	-	-	13,000,000
TOTAL Other Noncurrent Liabilities	$ 2,640,158,212	$ 61,200,000	$ -	$ 61,200,000	$ -	$ -	$ 2,701,358,212
CURRENT AND ACCRUED LIABILITIES							
Notes Payable (231)	$ 276,358,000	$ -	$ -	$ -	$ (168,000,000)	$ -	$ 108,358,000
Accounts Payable (232)	568,771,172	(85,920,950)	250,000,000	164,079,050	45,600,000	-	778,450,222
Accounts Payable to Associated Companies (234)	19,672,875	-	-	-	-	-	19,672,875
Customer Deposits (235)	56,954,200	-	-	-	-	-	56,954,200
Taxes Accrued (236)	166,509,956	1,457,967,764	(92,800,000)	1,365,167,764	(40,800,000)	-	1,490,877,720
Interest Accrued (237)	176,015,651	-	-	-	63,200,000	-	239,215,651
Dividends Declared (238)	98,177,992	-	-	-	(28,400,000)	-	69,777,992
Tax Collections Payable (241)	23,438,905	-	-	-	-	-	23,438,905
Miscellaneous Current and Accrued Liabilities (242)	227,724,258	199,700,000	-	199,700,000	-	-	427,424,258
Obligations Under Capital Leases-Current (243)	194,970,003	-	-	-	-	-	194,970,003
TOTAL Current and Accrued Liabilities	$ 1,808,591,012	$ 1,571,746,814	$ 157,200,000	$ 1,728,946,814	$ (128,400,000)	$ -	$ 3,409,137,826
DEFERRED CREDITS							
Customer Advances for Construction (252)	$ 378,776	$ -	$ -	$ -	$ -	$ -	$ 378,776
Other Deferred Credits (253)	50,936,493	-	-	-	-	-	50,936,493
Other Regulatory Liabilities (254)	594,108,800	-	-	-	-	-	594,108,800
Accumulated Deferred Investment Tax Credits (255)	562,156,009	(43,600,000)	-	(43,600,000)	-	-	518,556,009
Accumulated Deferred Income Taxes (281-283)	4,848,412,572	(1,279,900,000)	98,900,000	(1,181,000,000)	-	-	3,667,412,572
TOTAL Deferred Credits	$ 6,055,992,650	$ (1,323,500,000)	$ 98,900,000	$ (1,224,600,000)	$ -	$ -	$ 4,831,392,650
TOTAL Liabilities and Other Credits	$ 26,222,985,084	$ 515,028,900	$ 265,500,000	$ 780,528,900	$ (2,915,500,000)	$ 2,930,800,000	$ 27,018,813,984

Commonwealth Edison Company
Notes to Pro Forma Balance Sheet

(1) Actual data from the 1998 FERC Form No. 1.

(2) The pro forma balance sheet reflects the following related to the sale of the fossil generating stations as previously submitted:

- Plant, fuel, material, prepayment and clearing accounts, as well as the regulatory asset for impaired production plant, reflect December 31, 1998 balances. Coal reserves are based on March 31, 1999 balances. These amounts will be adjusted to actual as of the closing date of the sale. Excludes a minimal amount of distribution plant, the amount of which is yet to be determined.

- Reflects the sale of the stations and related items to an unregulated Unicom subsidiary for the consideration of cash and notes receivable.

- Selling and closing costs are estimated to be $75 million. Actual amounts may differ and will be reflected in the final journal entries.

- The estimated regulatory assets for the satisfaction of coal contracts and severance related costs assume a sale closing date of 9/30/99. Such amounts will be adjusted to actual as of the closing date of the sale.

- The Asset Sale Agreement provides for a purchase price adjustment for capital expenditures on certain projects which are expected to be incurred prior to closing. These expenditures are not included in the journal entries herein, but will be reflected in the book value and the purchase price at the time of closing.

- Potential effects of certain income tax issues are yet to be resolved.

- The entries are limited to the entries that directly result from the fossil sale agreement and should not be interpreted to represent an all inclusive listing of the impacts on ComEd's financial statements.

- The Special Assistant for Policy, Office of Finance, Accounting and Operations of the FERC approved ComEd's proposed fossil sale journal entries on October 13, 1999.

- Journal entry adjustments do not reflect income tax payments.

(3) Reflects the funding of certain environmental initiatives, pending the close of the sale of ComEd's fossil stations as required by the Illinois Public Utilities Act as amended in June 1999. In addition, the pro forma balance sheet reflects interest income on the unused portion of the fossil sale proceeds received by ComEd at the close.

(4) The pro forma balance sheet reflects the annualized effects of ComEd's issuance and use of proceeds from $3.4 billion of transitional trust notes initiated in December 1998. The proceeds from the notes, net of transaction costs, were used, as required, to redeem or repurchase debt and equity to lower ComEd's overall cost of capital. In 1999, ComEd redeemed long-term debt and preference stock, reduced its outstanding short-term debt and initiated a repurchase of its common shares as discussed below. In addition, ComEd recorded an extraordinary loss related to such early redemptions of long-term debt and recorded premiums paid in connection with the redemption of the preference stock.

ComEd entered into a prepaid forward purchase agreement with Unicom for the repurchase of approximately 20.1 million shares of ComEd Common Stock to be settled no later than February 2000, on either a physical (share) basis, or a net cash basis. The terms of the agreement between ComEd and Unicom are identical to the terms of Unicom's repurchase agreement with a financial institution. The amount at which the arrangement can be settled is dependent primarily upon the average market price the financial institution purchases Unicom shares, compared to the forward price per share. Based on the terms of the Merger Agreement, prior to the consummation of the Merger Transaction, Unicom expects to repurchase approximately six million additional shares of Unicom Common Stock at prevailing market prices. Consistent with the Unicom repurchase, ComEd will repurchase approximately six million additional shares of its common stock prior to acquisition. The pro forma statement assumes that proceeds from the December 1998 transitional trust notes will be used to fund the approximate 26.1 share repurchase of ComEd Common Stock.

(5) Under the terms of the Merger Agreement, Unicom will cease to exist and its subsidiaries, including ComEd, will become subsidiaries of Newco. The pro forma balance sheet reflects the effect of the acquisition of ComEd under the purchase method of accounting. A pro forma adjustment has been made to recognize goodwill which reflects the excess of the purchase consideration over the assumed value of ComEd's assets and liabilities. The pro forma statement does not reflect potential adjustments to ComEd's assets and liabilities to reflect fair value. Actual goodwill recorded upon consummation will consider the fair value of ComEd's assets and liabilities at that future date, including the fair value of ComEd's nuclear generating stations, and may differ significantly from the amount recorded in the pro forma statement. The pro forma adjustments also reflect the elimination of accumulated depreciation, retained earnings and paid-in capital on ComEd's books in accordance with purchase accounting as prescribed by GAAP. The pro forma statement excludes the effects of expected annual cost savings and revenue enhancements resulting from the combination of the companies.

Commonwealth Edison Company
Estimated Effects of Merger Pro Forma Adjustments
As of December 31, 1998
(Thousands of Dollars)

Elimination of Acc. Prov. For Depreciation (A/C 108, 111)(1)	Amortization of Goodwill (A/C 115)	Net Adjustment	Recordation of Goodwill (A/C 114)(2)	Elimination of Acc. Prov. For Depreciation (A/C 101)(1)	Net Adjustment
$ (12,238,999)	$ 75,200	$ (12,163,799)	$ 3,006,000	$ (12,238,999)	$ (9,232,999)

(1) The pro forma adjustments reflect the elimination of accumulated depreciation on ComEd's books in accordance with purchase accounting as prescribed by GAAP.

(2) A pro forma adjustment has been made to recognize goodwill which reflects the excess of the purchase consideration over the assumed value of ComEd's assets and liabilities. The pro forma statement does not reflect potential adjustments to ComEd's assets and liabilities to reflect fair value. Actual goodwill recorded upon consummation will consider the fair value of ComEd's assets and liabilities at that future date, including the fair value of ComEd's nuclear generating stations, and may differ significantly from the amount recorded in the pro forma statement.

EXHIBIT D

A statement of all known contingent liabilities except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application.

EXHIBIT D

Statement of All Known Contingent Liabilities

Set forth herein is a copy of pages 123.31-123.33 of ComEd's FERC Form No. 1 for the year ended December 31, 1998 and a copy of pages 37 through 40 of Unicom's/ComEd's Form 10-Q for the quarterly period ended September 30, 1999.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Commonwealth Edison Company	(1) [X] An Original (2) [ ] A Resubmission	04/30/1999	Dec. 31, 1998

NOTES TO FINANCIAL STATEMENTS (continued)

(21) Commitments and Contingent Liabilities

Purchase commitments, principally related to construction and nuclear fuel, approximated $335 million at December 31, 1998. In addition, ComEd has substantial commitments for the purchase of coal as indicated in the following table.

Contract	Period	Commitment (1)
Black Butte Coal Co.	1999-2000	$ 434
Decker Coal Co.	1999-2014	478
Other commitments	1999-2000	38
		$ 950

(1) In millions of dollars, excluding transportation costs. No estimate of future cost escalation has been made.

ComEd's coal costs are high compared to those of other utilities. ComEd's western coal contracts and its rail contracts for delivery of the western coal provide for the purchase of certain coal at prices substantially above currently prevailing market prices.

ComEd is a member of Nuclear Electric Insurance United (NEIL) which provides insurance coverage against property damage and associated replacement power costs occurring at member's nuclear generating facilities. All companies insured with NEIL are subject to retrospective premium adjustments if losses exceed accumulated reserve funds. Capital has been accumulated in the reserve funds such that ComEd would not be liable for any single incident. However, ComEd could be subject to assessments in any policy year for each of three types of coverage provided. The maximum assessments are approximately $53 million for primary property damage, $73 million for excess property damage and $22 million for replacement power. Prior to January 1, 1998, the primary property damage coverage described was provided by Nuclear Mutual Limited, another mutual insurance company which merged into NEIL. The merger did not affect ComEd's obligations or coverage.

The NRC's indemnity for public liability coverage under the Price-Anderson Act is supported by a mandatory industry-wide program under which owners of nuclear generating facilities could be assessed in the event of nuclear incidents. Based on the number of nuclear reactors with operating licenses, ComEd would currently be subject to a maximum assessment of $1,145 million in the event of an incident, limited to a maximum of $130 million in any calendar year.

In addition, ComEd participates in the American Nuclear Insurers Master Worker Program, which provides coverage for worker tort claims filed for bodily injury caused by the nuclear energy hazard. This program was modified, effective January 1, 1998, to provide coverage to all workers whose "nuclear-related employment" began on or after the commencement date of reactor operations. ComEd will not be liable for a retrospective assessment under this new policy. However, ComEd is still subject to a maximum retroactive assessment of up to $36 million in the event losses incurred under the small

Name of Respondent	This Report Is:	Date of Report (Mo. Da. Yr)	Year of Report
Commonwealth Edison Company	(1) [X] An Original (2) [ ] A Resubmission	04/30/1999	Dec. 31, 1998

NOTES TO FINANCIAL STATEMENTS (continued)

number of policies in the old program exceed accumulated reserves.

During 1989 and 1991, actions were brought in federal and state courts in Colorado against ComEd and Cotter Corporation, a ComEd subsidiary, (Cotter) seeking unspecified damages and injunctive relief based on allegations that Cotter has permitted radioactive and other hazardous material to be released from its mill into areas owned or occupied by the plaintiffs resulting in property damage and potential adverse health effects. With respect to Cotter, in 1994 a federal jury returned nominal dollar verdicts against Cotter on eight bellwether plaintiffs' claims in the 1989 cases, which verdicts were upheld on appeal. The remaining claims in the 1989 actions have been settled and dismissed. On July 15, 1998, a jury verdict was rendered in Dodge v. Cotter (United States District Court for the District of Colorado, Civil Action No. 91-Z-1861), a case relating to 14 of the plaintiffs in the 1991 cases. The verdict against Cotter included compensatory and punitive damages totaling approximately $3 million (not including prejudgment interest, which has not yet been calculated, and which Cotter anticipates may bring the total award to under $6 million), together with medical monitoring. The matter is currently on appeal. Although the other 1991 cases will necessarily involve the resolution of numerous contested issues of fact and law, ComEd's determination is that these actions will not have a material impact on its financial position or results of operations.

ComEd is involved in administrative and legal proceedings concerning air quality, water quality and other matters. The outcome of these proceedings may require increases in future construction expenditures and operating expenses and changes in operating procedures. ComEd is or is likely to become a party to proceedings initiated by the U.S. Environmental Protection Agency, state agencies and/or other responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (CERCLA) with respect to a number of sites, including manufactured gas plants (MGP) sites, or may voluntarily undertake to investigate and remediate sites for which it may be liable under CERCLA.

ComEd generally did not operate MGPs as a corporate entity but did, however, acquire MGP sites as part of the absorption of smaller utilities. Approximately half of these sites were transferred to Northern Illinois Gas Company as part of a general conveyance in 1954. ComEd also acquired former MGP sites as vacant real estate on which ComEd facilities have been constructed. To date, ComEd has identified 44 former MGP sites for which it may be liable for remediation. ComEd presently estimates that its costs of former MGP site investigation and remediation will aggregate from $25 million to $150 million in current-year (1999) dollars. It is expected that the costs associated with investigation and remediation of former MGP sites will be incurred over a period not to exceed 30 years. Because ComEd is not able to determine the most probable liability for such MGP costs, in accordance with accounting standards, a reserve of $25 million has been included in other noncurrent liabilities as of December 31, 1998 and 1997, which reflects the low end of the range of ComEd's estimate of the liability associated with former MGP sites. In addition, as of December 31, 1998 and 1997, a reserve of $8 million has been included in other noncurrent liabilities, representing ComEd's estimate of the liability associated with cleanup costs of remediation sites other than former MGP sites. Approximately half of this reserve relates to anticipated cleanup costs associated with a property formerly used as a tannery which was purchased by ComEd in 1973. ComEd presently estimates that its costs of investigating and remediating the former MGP and other remediation sites, pursuant to CERCLA and state environmental laws, will not have a material impact on its

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Commonwealth Edison Company	(1) [X] An Original (2) [ ] A Resubmission	04/30/1999	Dec. 31, 1998

NOTES TO FINANCIAL STATEMENTS (continued)

financial position or results of operations. These cost estimates are based on currently available information regarding the responsible parties likely to share in the costs of responding to site contamination, the extent of contamination at sites for which the investigation has not yet been completed and the cleanup levels to which sites are expected to have to be remediated.

The Illinois Department of Revenue (IDR) has issued Notices of Tax Liability to ComEd alleging deficiencies in Illinois invested capital tax payments for the years 1988 through 1996. The alleged deficiencies including interest and penalties totaled approximately $45 million as of December 31, 1998. ComEd has protested the notices, and the matter is currently pending before the IDR's Office of Administrative Hearings. Interest will continue to accrue on the alleged tax deficiencies.

(22) Subsequent Events

Debt Redemptions and Reacquisitions.

ComEd redeemed the following preference stock, first mortgage bonds and sinking fund debentures on January 19, 1999, January 27, 1999 and February 16, 1999, respectively.

Preference Stock

Series	Shares Outstanding	Principal Amount (Thousands of Dollars)
$8.40	750,000	$ 74,175
$8.38	750,000	73,566
$2.00	2,000,000	51,560
$1.96	2,000,000	52,440
$1.90	4,249,549	106,239
$7.24	750,000	74,340
$9.25	450,000	45,000
$8.85	187,500	18,750
$8.40 Series B	240,000	23,838
$8.20	142,845	14,285
	11,519,894	$534,193

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-11375	UNICOM CORPORATION (an Illinois corporation) 37th Floor, 10 South Dearborn Street Post Office Box A-3005 Chicago, Illinois 60690-3005 312/394-7399	36-3961038
1-1839	COMMONWEALTH EDISON COMPANY (an Illinois corporation) 37th Floor, 10 South Dearborn Street Post Office Box 767 Chicago, Illinois 60690-0767 312/394-4321	36-0938600

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) have been subject to such filing requirements for the past 90 days. Yes ✓ No _____

Common Stock outstanding at October 31, 1999:

Unicom Corporation	217,516,983 shares
Commonwealth Edison Company	213,973,242 shares

(21) Commitments and Contingent Liabilities. Purchase commitments, principally related to construction and nuclear fuel, approximated $511 million at September 30, 1999, comprised of $468 million for ComEd, $38 million for UT Holdings and $5 million for Unicom Energy Services. In addition, ComEd has substantial commitments for the purchase of coal. Upon completion of the transactions contemplated in the Asset Sale Agreement with EME, ComEd expects to enter into arrangements to assign or settle a substantial portion of the coal purchase commitments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," subcaption "Liquidity and Capital Resources—UTILITY OPERATIONS—Construction Program," for additional information regarding ComEd's purchase commitments.

ComEd is a member of NEIL which provides insurance coverage against property damage and associated replacement power costs occurring at members' nuclear generating facilities. All companies insured with NEIL are subject to retrospective premium adjustments if losses exceed accumulated reserve funds. Capital has been accumulated in the reserve funds such that ComEd would not be liable for any single incident. However, ComEd could be subject to assessments in any policy year for

UNICOM CORPORATION AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS—Continued

each of three types of coverage provided. The maximum assessments are approximately $53 million for primary property damage, $73 million for excess property damage and $22 million for replacement power.

The NRC's indemnity for public liability coverage under the Price-Anderson Act is supported by a mandatory industry-wide program under which owners of nuclear generating facilities could be assessed in the event of nuclear incidents. Based on the number of nuclear reactors with operating licenses, ComEd would currently be subject to a maximum assessment of $1,145 million in the event of an incident, limited to a maximum of $130 million in any calendar year.

In addition, ComEd participates in the American Nuclear Insurers Master Worker Program, which provides coverage for worker tort claims filed for bodily injury caused by the nuclear energy hazard. This program was modified, effective January 1, 1998, to provide coverage to all workers whose "nuclear-related employment" began on or after the commencement date of reactor operations. ComEd will not be liable for a retrospective assessment under this new policy. However, ComEd is still subject to a maximum retroactive assessment of up to $36 million in the event losses incurred under the small number of policies in the old program exceed accumulated reserves.

Three of ComEd's wholesale municipal customers filed a complaint and request for refund with the FERC alleging that ComEd failed to properly adjust their rates, as provided for under the terms of their electric service contracts, to track certain refunds made to ComEd's retail customers in the years 1992 through 1994. In the third quarter of 1998, the FERC granted the complaint and directed that refunds be made, with interest. ComEd filed and was granted a request for rehearing for purposes of reconsideration with the FERC. If the order is upheld, ComEd must make refunds within 15 days of the resolution for rehearing. ComEd's management believes an adequate reserve has been established in connection with this case.

During 1989 and 1991, actions were brought in federal and state courts in Colorado against ComEd and Cotter seeking unspecified damages and injunctive relief based on allegations that Cotter has permitted radioactive and other hazardous material to be released from its mill into areas owned or occupied by the plaintiffs resulting in property damage and potential adverse health effects. With respect to Cotter, in 1994 a federal jury returned nominal dollar verdicts against Cotter on eight plaintiffs' claims in the 1989 cases, which verdicts were upheld on appeal. The remaining claims in the 1989 actions have been settled and dismissed. On July 15, 1998, a jury verdict was rendered in *Dodge v. Cotter* (United States District Court for the District of Colorado, Civil Action No. 91-Z-1861), a case relating to 14 of the plaintiffs in the 1991 cases. The verdict against Cotter and in favor of the plaintiff, after an amended judgement was issued March 11, 1999, totaled approximately $6 million, including compensatory and punitive damages, interest, and medical monitoring. The matter is currently on appeal. Oral argument was heard in the Tenth Circuit Court of Appeals on September 23, 1999. A decision is expected before the end of the year. A case involving the next group of plaintiffs is set for trial in federal district court in Denver on October 2, 2000. Although the other 1991 cases will necessarily involve the resolution of numerous contested issues of fact and law, Unicom and ComEd's determination is that these actions will not have a material impact on their financial position or results of operations.

In August 1999, three class action lawsuits were filed against ComEd related to a series of service interruptions during the summer of 1999. The combined effect of these events resulted in over 100,000 customers losing service. On August 12, 1999, service was interrupted to ComEd customers on the near north and near west side of the City's central business district. While major commercial customers

UNICOM CORPORATION AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS—Continued

were affected, all service was restored on the same date. The class action complaints have been consolidated and seek to recover damages for personal injuries and property damage, as well as economic loss for these events. Further, ComEd initiated expedited claim settlements for those with primarily food spoilage claims. Conditional class certification has been approved by the Court for the sole purpose of exploring settlement talks. The lawsuits are pending in the Circuit Court of Cook County where the next status hearing is scheduled for November 15, 1999. ComEd's management believes adequate reserves have been established in connection with these cases.

Following the above-referenced series of service interruptions, the ICC opened a three-phase investigation of the design and reliability of ComEd's transmission and distribution system. At the conclusion of each phase of the investigation, the ICC will issue a report that will include specific recommendations for ComEd and a timetable for executing the recommendations. The final phase of the investigation is expected to conclude in early 2001.

ComEd is involved in administrative and legal proceedings concerning air quality, water quality and other matters. The outcome of these proceedings may require increases in future construction expenditures and operating expenses and changes in operating procedures. ComEd and its subsidiaries are or are likely to become parties to proceedings initiated by the U.S. EPA, state agencies and/or other responsible parties under CERCLA with respect to a number of sites, including MGP sites, or may voluntarily undertake to investigate and remediate sites for which they may be liable under CERCLA.

ComEd generally did not operate MGPs as a corporate entity but did, however, acquire MGP sites as part of the absorption of smaller utilities. Approximately half of these sites were transferred to Northern Illinois Gas Company as part of a general conveyance in 1954. ComEd also acquired former MGP sites as vacant real estate on which ComEd facilities have been constructed. To date, ComEd has identified 44 former MGP sites for which it may be liable for remediation. ComEd presently estimates that its costs of former MGP site investigation and remediation will aggregate from $25 million to $150 million in current-year (1999) dollars. It is expected that the costs associated with investigation and remediation of former MGP sites will be incurred over a period not to exceed 30 years. Because ComEd is not able to determine the most probable liability for such MGP costs, in accordance with accounting standards, a reserve of $25 million has been included in other noncurrent liabilities on the Consolidated Balance Sheets as of September 30, 1999 and December 31, 1998, which reflects the low end of the range of ComEd's estimate of the liability associated with former MGP sites. In addition, as of September 30, 1999 and December 31, 1998, a reserve of $8 million has been included in other noncurrent liabilities on the Consolidated Balance Sheets, representing ComEd's estimate of the liability associated with cleanup costs of remediation sites other than former MGP sites. Approximately half of this reserve relates to anticipated cleanup costs associated with a property formerly used as a tannery which was purchased by ComEd in 1973. These cost estimates are based on currently available information regarding the responsible parties likely to share in the costs of responding to site contamination, the extent of contamination at sites for which the investigation has not yet been completed and the cleanup levels to which sites are expected to have to be remediated. ComEd is currently re-evaluating its environmental remediation strategies. The final results of this re-evaluation cannot be determined at this time, but could result in an increase to the estimated liability.

The IDR has issued Notices of Tax Liability to ComEd alleging deficiencies in Illinois invested capital tax payments for the years 1988 through 1997. The alleged deficiencies, including interest and penalties, totaled approximately $51 million as of September 30, 1999. ComEd has protested the notices, and the matter is currently pending before the IDR's Office of Administrative Hearings. Interest will continue to accumulate on the alleged tax deficiencies.

UNICOM CORPORATION AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS—Concluded

On March 22, 1999, ComEd reached a settlement agreement with the City to end the arbitration proceeding between ComEd and the City regarding the January 1, 1992 franchise agreement and a supplemental agreement between them. Under the terms of the settlement agreement, the pending arbitration is to be dismissed with prejudice and the City is to release ComEd from all claims the City may have under the supplemental agreement. The settlement agreement was approved by the City Council on May 12, 1999.

As part of the settlement agreement, ComEd and the City have agreed to a revised combination of ongoing work under the franchise agreement and new initiatives that will result in defined transmission and distribution expenditures by ComEd to improve electric service in the City. The settlement agreement provides that ComEd will be subject to liquidated damages if the projects are not completed by various dates, unless it is prevented from doing so by events beyond its reasonable control. ComEd's current construction budget considers these projects, and therefore, no changes to that budget are expected. In addition, ComEd and the City established an Energy Reliability and Capacity Account, into which ComEd deposited $25 million following the effectiveness of the settlement agreement and ComEd has conditionally agreed to deposit up to $25 million at the end of each of the years 2000, 2001 and 2002, to help ensure an adequate and reliable electric supply for the City.

The 1997 Act also committed ComEd to spend at least $2 billion through 2004 on transmission and distribution facilities outside of the City and $250 million in environmental funding initiatives, pending the close of the fossil plant sale.

EXHIBIT E

Income statement for the most recent 12 month period only, on an actual basis and on a pro forma basis in the form prescribed for Statement C of FERC Form No. 1.

EXHIBIT E

Actual and Pro Forma Income Statement for the Most Recent Twelve-Month Period

Set forth herein are actual and pro forma income statement for the year ended December 31, 1998 and the related notes. The pro forma income statement has been prepared to reflect the acquisition of ComEd by Newco and certain other significant transactions. Accordingly, the actual Income Statement for the year ended December 31, 1998 has been adjusted to give effect to the sale of ComEd's fossil generating stations, the annualized effects of ComEd's issuance of transitional trust notes and use of the proceeds, the repurchase of 20.1 million shares of ComEd Common Stock subject to certain forward purchase contracts, ComEd's expected repurchase of an additional approximate six million shares of ComEd Common Stock prior to the closing of the acquisition and the purchase consideration and other adjustments related to the acquisition of ComEd.

ComEd previously submitted similar pro forma information related to the sale of the fossil generating stations as part of its Joint Application for the Sale of Jurisdictional Transmission Facilities filed with FERC on July 22, 1999. The fossil sale information has been updated to include the funding of certain environmental initiatives, pending the close of the sale and interest income on the unused portion of the fossil sale proceeds received by ComEd at the close. The fossil sale is currently expected to close in the fourth quarter of 1999.

Commonwealth Edison Company
Income Statement
Twelve Months Ended December 31, 1998

UTILITY OPERATING INCOME	Actual(1)	ADJUSTMENTS: Fossil Sale Pro Forma Adjustment(2)	Environmental Trust Contrib & Interest on Avail Funds(3)	Total Fossil Sale Pro Forma Adjustments	Securitization Pro Forma Adjustments(4)	Merger Pro Forma Adjustments(5)	Pro Forma
Operating Revenues (400)	$ 7,135,879,302	$ -	$ -	$ -	$ -	$ -	$ 7,135,879,302
Operating Expenses							
Operation Expenses (401)	$ 3,353,957,108	$ 91,055,806	$ -	$ 91,055,806	$ -	$ -	$ 3,445,012,914
Maintenance Expenses (402)	788,080,587	(176,976,756)	-	(176,976,756)	-	-	611,103,831
Depreciation Expense (403)	868,911,203	(91,348,900)	-	(91,348,900)	-	-	777,562,303
Amortization & Depletion of Utility Plant (404-405)	3,726,770	-	-	-	-	-	3,726,770
Amortization of Utility Plant Acq. Adj (406)	-	-	-	-	-	75,200,000	75,200,000
Amortization of Conversion Expenses (407)	(1,138,154)	-	-	-	-	-	(1,138,154)
Regulatory Debits (407.3)	65,210,900	3,330,600,000	(250,000,000)	3,080,600,000	-	-	3,145,810,900
Regulatory Credits (407.4)	-	(3,283,400,000)	-	(3,283,400,000)	-	-	(3,283,400,000)
Taxes Other Than Income Taxes (408.1)	697,220,520	(21,000,000)	-	(21,000,000)	-	-	676,220,520
Income Taxes - Federal (409.1)	287,442,413	1,176,717,009	-	1,176,717,009	-	-	1,464,159,422
- Other (409.1)	52,455,037	253,818,543	-	253,818,543	-	-	306,273,580
Provision for Deferred Income Taxes (410.1)	303,377,346	12,300,000	-	12,300,000	-	-	315,677,346
(Less) Provision for Deferred Income Taxes-Credit (411.1)	260,897,650	1,383,100,000	(98,900,000)	1,284,200,000	-	-	1,545,097,650
Investment Tax Credit Adjustments-Net (411.4)	(27,714,985)	3,600,000	-	3,600,000	-	-	(24,114,985)
(Less) Gains from Disposition of Utility Plant (411.6)	4,399,717	-	-	-	-	-	4,399,717
Losses from Disposition of Utility Plant (411.7)	51,027	-	-	-	-	-	51,027
(Less) Gains from Emission Allowances (411.8)	41,495,544	-	-	-	-	-	41,495,544
TOTAL Utility Operating Expenses	$ 6,084,786,861	$ (87,734,297)	$ (151,100,000)	$ (238,834,297)	$ -	$ 75,200,000	$ 5,921,152,564
Net Utility Operating Income	$ 1,051,092,441	$ 87,734,297	$ 151,100,000	$ 238,834,297	$ -	$ (75,200,000)	$ 1,214,726,738
OTHER INCOME AND DEDUCTIONS							
Other Income:							
Nonutility Operating Income							
Income From Nonutility Operations-Other (415-418)	$ (307,314)	$ -	$ -	$ -	$ -	$ -	$ (307,314)
Equity in Earnings of Subsidiary Companies (418.1)	2,562,530	-	-	-	-	-	2,562,530
Interest and Dividend Income (419)	13,310,996	147,780,000	15,500,000	163,280,000	5,600,000	-	182,190,996
Allowance for Other Funds Used During Construction (419.1)	6,959,092	-	-	-	-	-	6,959,092
Miscellaneous Nonoperating Income (421)	50,627,044	-	-	-	-	-	50,627,044
Gain on Disposition of Property (421.1)	15,467,354	-	-	-	-	-	15,467,354
TOTAL Other Income	$ 88,619,702	$ 147,780,000	$ 15,500,000	$ 163,280,000	$ 5,600,000	$ -	$ 257,499,702
Other Income Deductions:							
Loss on Disposition of Property (421.2)	$ 9,970,965	$ -	$ -	$ -	$ -	$ -	$ 9,970,965
Miscellaneous Income Deductions (426.1-426.5)	(10,640,958)	-	250,000,000	250,000,000	-	-	239,359,042
TOTAL Other Income Deductions	$ (669,993)	$ -	$ 250,000,000	$ 250,000,000	$ -	$ -	$ 249,330,007
Taxes Applicable to Other Income and Deductions:							
Taxes Other Than Income Taxes (408.2)	$ 638,627	$ -	$ -	$ -	$ -	$ -	$ 638,627
Income Taxes - Federal (409.2)	(44,908,227)	48,087,612	(76,300,000)	(28,212,388)	(18,700,000)	-	(91,820,615)
- Other (409.2)	(7,903,314)	10,344,600	(16,500,000)	(6,155,400)	(4,000,000)	-	(18,058,714)
Provision for Deferred Income Taxes (410.2)	95,467,768	18,700,000	-	18,700,000	-	-	114,167,768
(Less) Provision for Deferred Income Taxes-Credit (411.2)	36,135,565	-	-	-	-	-	36,135,565
Investment Tax Credit Adjustment - Net (411.5)	(12,107,000)	(47,200,000)	-	(47,200,000)	-	-	(59,307,000)
TOTAL Taxes on Other Income and Deductions	$ (4,947,711)	$ 29,932,212	$ (92,800,000)	$ (62,867,788)	$ (22,700,000)	$ -	$ (90,515,499)
Net Other Income and Deductions	$ 94,237,406	$ 117,847,788	$ (141,700,000)	$ (23,852,212)	$ 28,300,000	$ -	$ 98,685,194
INTEREST CHARGES							
Interest on Long-Term Debt (427)	$ 486,746,739	$ -	$ -	$ -	$ 63,200,000	$ -	$ 549,946,739
Amortization of Debt Discount and Expense (428)	5,431,500	-	-	-	-	-	5,431,500
Amortization of Loss on Reacquired Debt (428.1)	4,954,818	-	-	-	-	-	4,954,818
(Less) Amortization of Premium on Debt-Credit (429)	17,751	-	-	-	-	-	17,751
Interest on Debt to Associated Companies (430)	38,403,265	-	-	-	-	-	38,403,265
Other Interest Expense (431)	25,110,600	-	-	-	-	-	25,110,600
(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)	9,505,366	-	-	-	-	-	9,505,366
Net Interest Charges	$ 551,123,805	$ -	$ -	$ -	$ 63,200,000	$ -	$ 614,323,805
EXTRAORDINARY ITEM							
Less Extraordinary Deductions (435)	$ -	$ -	$ -	$ -	$ 45,600,000	$ -	$ 45,600,000
Income Taxes - Federal and Other (409.3)	-	-	-	-	18,000,000	-	18,000,000
Extraordinary Item After Taxes	$ -	$ -	$ -	$ -	$ (27,600,000)	$ -	$ (27,600,000)
Net Income (Loss)	$ 594,206,042	$ 205,582,085	$ 9,400,000	$ 214,982,085	$ (62,500,000)	$ (75,200,000)	$ 671,488,127

Commonwealth Edison Company
<u>Notes to Pro Forma Income Statement</u>

(1) Actual data from the 1998 FERC Form No. 1.

(2) The pro forma income statement reflects the following related to the sale of the fossil generating stations as previously submitted:

- Plant, fuel, material, prepayment and clearing accounts, as well as the regulatory asset for impaired production plant, reflect December 31, 1998 balances. Coal reserves are based on March 31, 1999 balances. These amounts will be adjusted to actual as of the closing date of the sale. Excludes a minimal amount of distribution plant, the amount of which is yet to be determined.

- Reflects the sale of the stations and related items to an unregulated Unicom subsidiary for the consideration of cash and notes receivable.

- Selling and closing costs are estimated to be $75 million. Actual amounts may differ and will be reflected in the final journal entries.

- The estimated regulatory assets for the satisfaction of coal contracts and severance related costs assume a sale closing date of 9/30/99. Such amounts will be adjusted to actual as of the closing date of the sale.

- The Asset Sale Agreement provides for a purchase price adjustment for capital expenditures on certain projects which are expected to be incurred prior to closing. These expenditures are not included in the journal entries herein, but will be reflected in the book value and the purchase price at the time of closing.

- Potential effects of certain income tax issues are yet to be resolved.

- The entries are limited to the entries that directly result from the fossil sale agreement and should not be interpreted to represent an all inclusive listing of the impacts on ComEd's financial statements.

- The Special Assistant for Policy, Office of Finance, Accounting and Operations of the FERC approved ComEd's proposed fossil sale journal entries on October 13, 1999.

- Journal entry adjustments do not reflect income tax payments.

(3) Reflects the funding of certain environmental initiatives, pending the close of the sale of ComEd's fossil stations as required by the Illinois Public Utilities Act as amended in June 1999. In addition, the pro forma balance sheet reflects interest income on the unused portion of the fossil sale proceeds received by ComEd at the close.

(4) The pro forma income statement reflects the annualized effects of ComEd's issuance and use of proceeds from $3.4 billion of transitional trust notes initiated in December 1998. The proceeds from the notes, net of transaction costs, were used, as required, to redeem or repurchase debt and equity to lower ComEd's overall cost of capital. In 1999, ComEd redeemed long-term debt and preference stock, reduced its outstanding short-term debt and initiated a repurchase of its common shares as discussed below. In addition, ComEd recorded an extraordinary loss related to such early redemptions of long-term debt and recorded premiums paid in connection with the redemption of the preference stock.

ComEd entered into a prepaid forward purchase agreement with Unicom for the repurchase of approximately 20.1 million shares of ComEd Common Stock to be settled no later than February 2000, on either a physical (share) basis, or a net cash basis. The terms of the agreement between ComEd and Unicom are identical to the terms of Unicom's repurchase agreement with a financial institution. The amount at which the arrangement can be settled is dependent primarily upon the average market price the financial institution purchases Unicom shares, compared to the forward price per share. Based on the terms of the Merger Agreement, prior to the consummation of the Merger Transaction, Unicom expects to repurchase approximately six million additional shares of Unicom Common Stock at prevailing market prices. Consistent with the Unicom repurchase, ComEd will repurchase approximately six million additional shares of its common stock prior to acquisition. The pro forma statement assumes that proceeds from the December 1998 transitional trust notes will be used to fund the approximate 26.1 million share repurchase of ComEd Common Stock.

(5) Under the terms of the Merger Agreement, Unicom will cease to exist and its subsidiaries, including ComEd, will become subsidiaries of Newco. The pro forma income statement reflects the effect of the acquisition of ComEd under the purchase method of accounting. A pro forma adjustment has been made to recognize goodwill which reflects the excess of the purchase consideration over the assumed value of ComEd's assets and liabilities. The pro forma statement does not reflect potential adjustments to ComEd's assets and liabilities to reflect fair value. Actual goodwill recorded upon consummation will consider the fair value of ComEd's assets and liabilities at that future date, including the fair value of ComEd's nuclear generating stations, and may differ significantly from the amount recorded in the pro forma statement. The pro forma adjustments also reflect the elimination of accumulated depreciation, retained earnings and paid-in capital on ComEd's books in accordance with purchase accounting as prescribed by GAAP. The pro forma statement excludes the effects of expected annual cost savings and revenue enhancements resulting from the combination of the companies.

EXHIBIT F

An analysis of retained earnings for the period covered by the income statements referred to in Exhibit E.

EXHIBIT F

Statement of Retained Earnings

Set forth herein is a copy of pages 118-119 of ComEd's FERC Form No. 1 for the year ended December 31, 1998.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Commonwealth Edison Company	(1) [X] An Original (2) [ ] A Resubmission	04/30/1999	Dec. 31, 1998

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		[redacted]
2	Changes		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Acct. 439)		
10	Debit: Excess of redemption price over stated value of preference stock retired	125	-154,190
11	Debit: Write-off of preference stock expenses	214	-140,976
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Acct. 439)		-295,166
16	Balance Transferred from Income (Account 433 less Account 418.1)		591,643,512
17	Appropriations of Retained Earnings (Acct. 436)		
18	Transfer to appropriated retained earnings -		
19	for payment of preferred and common stock dividends	215	-594,206,041
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)		-594,206,041
23	Dividends Declared-Preferred Stock (Account 437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		
30	Dividends Declared-Common Stock (Account 438)		
31			
32			
33			
34			
35			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		31,285,979
38	Balance - End of Year (Total 1,9,15,16,22,29,36,37)		-361,355,392

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Commonwealth Edison Company	(1) [X] An Original (2) [ ] A Resubmission	04/30/1999	Dec. 31, 1998

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	APPROPRIATED RETAINED EARNINGS (Account 215)		
39	Balance-Beginning of Year		383,655,637
40	Appropriations of Retained Earnings for Future Dividend Payments (436)		594,206,041
41	Dividends declared on Common Stock (438)		-342,776,033
42	Dividends declared - preferred and preference stock (437)		[illegible]
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)		579,765,577
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)		
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)		
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)		579,765,577
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 37,38)		218,410,185
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
49	Balance-Beginning of Year (Debit or Credit)		-13,043,989
50	Equity in Earnings for Year (Credit) (Account 418.1)		2,562,530
51	(Less) Dividends Received (Debit)		31,285,979
52			
53	Balance-End of Year (Total lines 49 thru 52)		-41,767,438

EXHIBIT G

Attached hereto is a copy of the related application of ComEd submitted to the Nuclear Regulatory Commission on December 21, 1999. ComEd requests waiver of the the requirement to file the notice of transfer of assets which will be filed with the Illinois Commerce Commission in the near future.

Mr Oliver D Kingsley, Jr
President and Chief Nuclear Officer
Nuclear Generation Group
Commonwealth Edison Company
1400 Opus Place
Downers Grove, IL 60515-5701

10 CFR 50.80
10 CFR 50.90

ComEd

December 20, 1999

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Braidwood Station, Units 1 and 2
Facility Operating License Nos. NPF-72 and NPF-77
NRC Docket Nos. STN 50-456 and STN 50-457

Byron Station, Units 1 and 2
Facility Operating License Nos. NPF-37 and NPF-66
NRC Docket Nos. STN 50-454 and STN 50-455

Dresden Nuclear Power Station, Units 1, 2 and 3
Facility Operating License Nos. DPR-2, DPR-19 and DPR-25
NRC Docket Nos. 50-10, 50-237 and 50-249

LaSalle County Station, Units 1 and 2
Facility Operating License Nos. NPF-11 and NPF-18
NRC Docket Nos. 50-373 and 50-374

Quad Cities Nuclear Power Station, Units 1 and 2
Facility Operating License Nos. DPR-29 and DPR-30
NRC Docket Nos. 50-254 and 50-265

Zion Nuclear Power Station, Units 1 and 2
Facility Operating License Nos. DPR-39 and DPR-48
NRC Docket Nos. 50-295 and 50-304

Subject: Application for License Transfers and Conforming Administrative License Amendments

Pursuant to 10 CFR 50.80, "Transfer of Licenses," Commonwealth Edison (ComEd) Company requests NRC consent to the transfer of ComEd's interests in the Facility Operating Licenses for Braidwood Station, Units 1 and 2; Byron Station, Units 1 and 2; Dresden Nuclear Power Station, Units 1, 2 and 3; LaSalle County Station, Units 1 and 2; Quad Cities Nuclear Power Station, Units 1 and 2;

and Zion Nuclear Power Station, Units 1 and 2. These interests would be transferred by ComEd to a new generating company, GENCO, to be formed in connection with the proposed merger of Unicom Corporation (Unicom), the parent company of ComEd, and PECO Energy Corporation (PECO). The actual name of GENCO will be provided to the NRC as soon as it is determined, which will be well in advance of the time requested for NRC approval of the proposed license transfers.

ComEd requests that the NRC consent to these transfers and authorize GENCO to possess, use, and operate the nuclear facilities under essentially the same terms and conditions included in the present operating licenses. No physical changes will be made to any of these facilities as a result of the merger, and there will be no change in day-to-day operation of the facilities. In addition, pursuant to 10 CFR 50.90, "Application for Amendment of License or Construction Permit," ComEd requests NRC approval of certain administrative amendments to conform the operating licenses and Technical Specifications (TS) for the above nuclear stations to reflect the proposed transfers.

On September 22, 1999, Unicom and PECO entered into a merger agreement. The merger will result in the formation of a new holding company, Exelon Corporation (Exelon), which will be registered under the Public Utility Holding Company Act of 1935. As a result of the merger, the existing utility and non-utility businesses of Unicom and PECO will be organized into subsidiaries of Exelon.

Exelon will have several subsidiaries, including ComEd, PECO, and GENCO. ComEd will remain an Illinois regulated public utility that will continue to perform its current transmission and distribution (T&D) functions. PECO will remain a Pennsylvania regulated public utility that will continue to perform its current T&D functions. GENCO will be a Pennsylvania corporation that will own, operate, and market power from the electrical generating units currently owned and operated by PECO and ComEd, and will engage in power marketing operations. GENCO will also acquire PECO's ownership interest in AmerGen Energy Company, LLC (AmerGen). ComEd and PECO will obtain all or part of their generation supply from GENCO.

PECO will separately apply to the NRC for consent to direct license transfers for the nuclear stations currently owned and/or operated by PECO. AmerGen also will be submitting separately a request for NRC consent to the transfer of PECO's interest in AmerGen to GENCO.

ComEd's and PECO's existing nuclear organizations and personnel will be assigned to GENCO, and the nuclear employees will become employees of GENCO or a wholly-owned subsidiary of GENCO. A Nuclear Group (NG) will be created within GENCO to operate the nuclear units that are owned and operated by ComEd and PECO. Oliver D. Kingsley, Jr., the current President and Chief Nuclear Officer (CNO) of ComEd's Nuclear Generation Group, will become the President and CNO of the GENCO NG. The NG management team, including the respective Site Vice Presidents, will be responsible for safe nuclear operations. It will establish standards, programs and processes, provide support, and exercise oversight to maintain safe and reliable operation of the nuclear units. The existing onsite organizations will remain essentially unchanged as a result of the creation of the NG.

The merger and the creation of the GENCO NG will bring together two strong and experienced nuclear management teams. In integrating the current nuclear management teams and organizations of ComEd and PECO, the GENCO NG will maintain effective programs, processes, and management controls, including the adoption of best practices, to meet high standards for safe and reliable nuclear operation. The NG will, to the extent practicable, standardize processes and work practices across the organization. In addition, ComEd has previously implemented thirteen Strategic Reform Initiatives for its nuclear units, focusing the organization on operating fundamentals such as operational excellence, material condition, and regulatory required programs. These initiatives have been fundamental to ComEd's success in achieving and sustaining high levels of performance at its plants. All nuclear operations will be guided by the operating principles embodied by these initiatives. Specifically, the management approach that supports these initiatives, which includes an emphasis on high standards, clearly defined responsibilities, accountability, and top performance, will be applied by the GENCO NG senior management team to all of the nuclear units operated by GENCO.

The attached application contains the information as required by 10 CFR 50.80 to demonstrate that:

(1) GENCO will possess the requisite technical and financial qualifications to own and operate these facilities;

(2) GENCO will not be owned, controlled, or dominated by an alien, a foreign corporation or a foreign government;

(3) The proposed transfers and conforming administrative amendments do not raise any significant safety or regulatory issues; and

(4) The proposed transfers do not require antitrust review by the NRC.